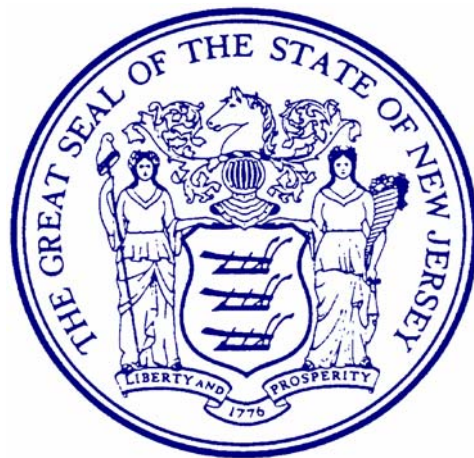


TRUMP PLAZA ASSOCIATES
QUARTERLY REPORT
FOR THE QUARTER ENDED JUNE 30, 2006

SUBMITTED TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY



DIVISION OF FINANCIAL EVALUATION
REPORTING MANUAL

TRUMP PLAZA ASSOCIATES

BALANCE SHEETS

AS OF JUNE 30, 2006 AND 2005

(UNAUDITED)

(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2006 (c)	2005 (d)
	<u>ASSETS:</u>			
	Current Assets:			
1	Cash and Cash Equivalents.....		\$18,968	\$20,758
2	Short-Term Investments.....			
3	Receivables and Patrons' Checks (Net of Allowance for Doubtful Accounts - 2006, \$4,804; 2005, \$4,807).....		11,638	10,177
4	Inventories		2,426	2,531
5	Other Current Assets.....		4,652	3,819
6	Total Current Assets.....		37,684	37,285
7	Investments, Advances, and Receivables.....		14,233	12,111
8	Property and Equipment - Gross.....	2,3,7	390,537	346,912
9	Less: Accumulated Depreciation and Amortization.....	2,3,7	(20,323)	(1,425)
10	Property and Equipment - Net.....	2,3,7	370,214	345,487
11	Other Assets.....	2,3,7	94,144	88,833
12	Total Assets.....		\$516,275	\$483,716
	<u>LIABILITIES AND EQUITY:</u>			
	Current Liabilities:			
13	Accounts Payable.....		\$6,289	\$7,559
14	Notes Payable.....			
	Current Portion of Long-Term Debt:			
15	Due to Affiliates.....			
16	External.....	4	5,209	9,414
17	Income Taxes Payable and Accrued.....	5	5,057	4,631
18	Other Accrued Expenses.....	2,3,7	28,549	18,919
19	Other Current Liabilities.....		21,723	8,616
20	Total Current Liabilities.....	8	66,827	49,139
	Long-Term Debt:			
21	Due to Affiliates.....	2,3,7	287,153	287,500
22	External.....	4	228	3,944
23	Deferred Credits			
24	Other Liabilities.....		22,561	18,068
25	Commitments and Contingencies.....	11		
26	Total Liabilities.....		376,769	358,651
27	Stockholders', Partners', or Proprietor's Equity.....	2,7,10	139,506	125,065
28	Total Liabilities and Equity.....		\$516,275	\$483,716

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

TRUMP PLAZA ASSOCIATES

STATEMENTS OF INCOME

FOR THE SIX MONTHS ENDED JUNE 30, 2006 AND 2005

(UNAUDITED)
(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2006 (c)	2005 (d)
	Revenue:			
1	Casino.....		\$144,326	\$147,833
2	Rooms.....		10,792	11,289
3	Food and Beverage.....		15,944	17,839
4	Other.....		4,285	5,443
5	Total Revenue.....		175,347	182,404
6	Less: Promotional Allowances.....		41,976	48,492
7	Net Revenue.....		133,371	133,912
	Costs and Expenses:			
8	Cost of Goods and Services.....		79,682	79,484
9	Selling, General, and Administrative.....		32,621	33,123
10	Provision for Doubtful Accounts.....		779	714
11	Total Costs and Expenses.....		113,082	113,321
12	Gross Operating Profit.....		20,289	20,591
13	Depreciation and Amortization.....		9,798	9,770
	Charges from Affiliates Other than Interest:			
14	Management Fees.....			
15	Other.....	8	2,229	2,380
16	Income (Loss) from Operations.....		8,262	8,441
	Other Income (Expenses):			
17	Interest Expense - Affiliates.....	2,3,4,7	(12,388)	(23,043)
18	Interest Expense - External.....	4	(1,000)	(1,214)
19	CRDA Related Income (Expense) - Net.....		(609)	(698)
20	Nonoperating Income (Expense) - Net.....	9	439	17,743
21	Total Other Income (Expenses).....		(13,558)	(7,212)
22	Income (Loss) Before Taxes and Extraordinary Items.....		(5,296)	1,229
23	Provision (Credit) for Income Taxes.....	6	561	813
24	Income (Loss) Before Extraordinary Items.....		(5,857)	416
	Extraordinary Items (Net of Income Taxes -			
25	2006, \$0; 2005, \$0).....		0	79,365
26	Net Income (Loss).....		(\$5,857)	\$79,781

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

TRUMP PLAZA ASSOCIATES

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED JUNE 30, 2006 AND 2005

(UNAUDITED)
(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2006 (c)	2005 (d)
	Revenue:			
1	Casino.....		\$76,947	\$77,079
2	Rooms.....		5,704	6,029
3	Food and Beverage.....		8,600	9,532
4	Other.....		2,281	2,791
5	Total Revenue.....		93,532	95,431
6	Less: Promotional Allowances.....		23,575	25,437
7	Net Revenue.....		69,957	69,994
	Costs and Expenses:			
8	Cost of Goods and Services.....		41,333	39,721
9	Selling, General, and Administrative.....		16,944	18,237
10	Provision for Doubtful Accounts.....		230	362
11	Total Costs and Expenses.....		58,507	58,320
12	Gross Operating Profit.....		11,450	11,674
13	Depreciation and Amortization.....		5,156	4,530
	Charges from Affiliates Other than Interest:			
14	Management Fees.....			
15	Other.....	8	1,287	1,078
16	Income (Loss) from Operations.....		5,007	6,066
	Other Income (Expenses):			
17	Interest Expense - Affiliates.....	2,3,4,7	(6,176)	(9,997)
18	Interest Expense - External.....	4	(419)	(865)
19	CRDA Related Income (Expense) - Net.....		(330)	(372)
20	Nonoperating Income (Expense) - Net.....	9	184	17,620
21	Total Other Income (Expenses).....		(6,741)	6,386
22	Income (Loss) Before Taxes and Extraordinary Items.....		(1,734)	12,452
23	Provision (Credit) for Income Taxes.....	6	368	422
24	Income (Loss) Before Extraordinary Items.....		(2,102)	12,030
	Extraordinary Items (Net of Income Taxes -			
25	2006, \$0; 2005, \$0).....		0	79,365
26	Net Income (Loss).....		(\$2,102)	\$91,395

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

TRUMP PLAZA ASSOCIATES

STATEMENTS OF CHANGES IN PARTNERS' OR PROPRIETOR'S EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2005
AND THE SIX MONTHS ENDED JUNE 30, 2006

(UNAUDITED)
(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	Contributed Capital (c)	Accumulated Earnings (Deficit) (d)	Capital Withdrawals (e)	Total Equity (Deficit) (f)
1	Balance, December 31, 2004.....		\$191,040	(\$233,658)	(\$87,889)	(\$130,507)
2	Net Income (Loss) - 2005.....			71,847		71,847
3	Capital Contributions.....					0
4	Capital Withdrawals.....					0
5	Partnership Distributions.....		(569)			(569)
6	Prior Period Adjustments.....					0
7	Recapitalization of Company		(40,360)	152,942	87,889	200,471
8	Restrictive Stock Awards		39			39
9						0
10	Balance, December 31, 2006.....		150,150	(8,869)	0	141,281
11	Net Income (Loss) - 2006.....			(5,857)		(5,857)
12	Capital Contributions.....	10	4,000			4,000
13	Capital Withdrawals.....					0
14	Partnership Distributions.....					0
15	Prior Period Adjustments.....					0
16	Restrictive Stock Awards		82			82
17						0
18						0
19	Balance, June30, 2006.....		\$154,232	(\$14,726)	\$0	\$139,506

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

TRUMP PLAZA ASSOCIATES

STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 2006 AND 2005

(UNAUDITED)
(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2006 (c)	2005 (d)
1	CASH PROVIDED (USED) BY OPERATING ACTIVITIES..		\$11,201	\$19,227
	CASH FLOWS FROM INVESTING ACTIVITIES:			
2	Purchase of Short-Term Investments			
3	Proceeds from the Sale of Short-Term Investments			
4	Cash Outflows for Property and Equipment.....		(22,092)	(24,148)
5	Proceeds from Disposition of Property and Equipment.....			
6	CRDA Obligations		(1,720)	(1,869)
7	Other Investments, Loans and Advances made.....		12,129	3,466
8	Proceeds from Other Investments, Loans, and Advances			
9	Cash Outflows to Acquire Business Entities.....		0	0
10	Casino Reinvestment Obligation Donation			
11				
12	Net Cash Provided (Used) By Investing Activities.....		(11,683)	(22,551)
	CASH FLOWS FROM FINANCING ACTIVITIES:			
13	Proceeds from Short-Term Debt			
14	Payments to Settle Short-Term Debt.....		(5,724)	(5,433)
15	Proceeds from Long-Term Debt			
16	Costs of Issuing Debt.....			
17	Payments to Settle Long-Term Debt.....			
18	Cash Proceeds from Issuing Stock or Capital Contributions...		4,082	10,000
19	Purchases of Treasury Stock.....			
20	Payments of Dividends or Capital Withdrawals.....			
21				
22				
23	Net Cash Provided (Used) By Financing Activities.....		(1,642)	4,567
24	Net Increase (Decrease) in Cash and Cash Equivalents.....		(2,124)	1,243
25	Cash and Cash Equivalents at Beginning of Period.....		21,092	19,515
26	Cash and Cash Equivalents at End of Period.....		\$18,968	\$20,758
	CASH PAID DURING PERIOD FOR:			
27	Interest (Net of Amount Capitalized).....		\$4,613	\$1,241
28	Income Taxes.....		\$175	\$175

*Certain reclassifications have been made to conform to current year presentation.

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

TRUMP PLAZA ASSOCIATES

STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 2006 AND 2005

(UNAUDITED)

(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2006 (c)	2005 (d)
	CASH FLOWS FROM OPERATING ACTIVITIES:			
29	Net Income (Loss).....		(\$5,857)	\$79,781
30	Depreciation and Amortization of Property and Equipment...		9,771	9,770
31	Amortization of Other Assets.....		27	
32	Amortization of Debt Discount or Premium.....			
33	Deferred Income Taxes - Current			
34	Deferred Income Taxes - Noncurrent			
35	(Gain) Loss on Disposition of Property and Equipment.....			(65)
36	(Gain) Loss on CRDA-Related Obligations.....		609	699 *
37	(Gain) Loss from Other Investment Activities.....			
38	(Increase) Decrease in Receivables and Patrons' Checks		883	243
39	(Increase) Decrease in Inventories		(275)	(214)
40	(Increase) Decrease in Other Current Assets.....		(1,252)	(557)
41	(Increase) Decrease in Other Assets.....		(380)	(817)
42	Increase (Decrease) in Accounts Payable.....		(2,791)	3,535
43	Increase (Decrease) in Other Current Liabilities		10,466	23,684
44	Increase (Decrease) in Other Liabilities			
45	Reorganization Expense (Income)			(17,467)
46	Gain on Reorganization of Debt.....			(79,365)
47	Net Cash Provided (Used) By Operating Activities.....		\$11,201	\$19,227

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	ACQUISITION OF PROPERTY AND EQUIPMENT:			
48	Additions to Property and Equipment.....		(\$22,324)	(\$24,148)
49	Less: Capital Lease Obligations Incurred.....		232	
50	Cash Outflows for Property and Equipment.....		(\$22,092)	(\$24,148)
	ACQUISITION OF BUSINESS ENTITIES:			
51	Property and Equipment Acquired.....			
52	Goodwill Acquired.....			
53	Other Assets Acquired - net			
54	Long-Term Debt Assumed.....			
55	Issuance of Stock or Capital Invested.....			
56	Cash Outflows to Acquire Business Entities.....		\$0	\$0
	STOCK ISSUED OR CAPITAL CONTRIBUTIONS:			
57	Total Issuances of Stock or Capital Contributions.....		\$4,082	\$10,000 *
58	Less: Issuances to Settle Long-Term Debt.....		0	0
59	Consideration in Acquisition of Business Entities.....		0	0
60	Cash Proceeds from Issuing Stock or Capital Contributions.....		\$4,082	\$10,000

*Certain reclassifications have been made to conform to current year presentation.

The accompanying notes are an integral part of the financial statements.

Valid comparisons cannot be made without using information contained in the notes.

TRUMP PLAZA ASSOCIATES SCHEDULE OF PROMOTIONAL EXPENSES AND ALLOWANCES

FOR THE SIX MONTHS ENDED JUNE 30, 2006

(UNAUDITED)
(\$ IN THOUSANDS)

Line (a)	Description (b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	97,247	\$7,898	142	\$5
2	Food	323,124	6,490		
3	Beverage	802,265	4,814		
4	Travel			6,621	993
5	Bus Program Cash	320,950	6,571		
6	Other Cash Complimentaries	687,867	15,271		
7	Entertainment	10,418	378	9,443	379
8	Retail & Non-Cash Gifts			191,279	6,394
9	Parking	3,327	59		
10	Other	49,419	495		
11	Total	2,294,617	\$41,976	207,485	\$7,771

FOR THE THREE MONTHS ENDED JUNE 30, 2006

Line (a)	Description (b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	49,766	\$4,188	142	\$5
2	Food	171,246	3,495		
3	Beverage	406,473	2,439		
4	Travel			3,462	519
5	Bus Program Cash	159,649	3,322		
6	Other Cash Complimentaries	411,592	9,551		
7	Entertainment	9,431	327	6,178	248
8	Retail & Non-Cash Gifts			94,646	3,277
9	Parking	310	5		
10	Other	24,626	248		
11	Total	1,233,093	\$23,575	104,428	\$4,049

TRUMP PLAZA ASSOCIATES STATEMENT OF CONFORMITY, ACCURACY, AND COMPLIANCE

FOR THE QUARTER ENDED JUNE 30, 2006

1. I have examined this Quarterly Report
2. All the information contained in this Quarterly Report has been prepared in conformity with the Casino Control Commission's Quarterly Report Instructions and Uniform Chart of Accounts.
3. To the best of my knowledge and belief, the information contained in this report is accurate.
4. To the best of my knowledge and belief, except for the deficiencies noted below, the licensee submitting this Quarterly Report has remained in compliance with the financial stability regulations contained in N.J.A.C. 19:43-4.2(b)1-5 during the quarter.

8/15/2006

Date



Vice President-Finance

Title

4954-11

License Number

On Behalf of:

TRUMP PLAZA ASSOCIATES

Casino Licensee

TRUMP PLAZA ASSOCIATES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006
(Unaudited)

NOTE 1 - GENERAL

Organization and Operations

Trump Plaza Associates LLC, a New Jersey Limited Liability Corporation ("Plaza Associates" or the "Company") is 100% beneficially owned by Trump Entertainment Resorts Holdings, LP (formerly known as Trump Hotels & Casino Resorts Holdings, LP ("THCR")), a Delaware Limited Partnership ("TER Holdings"). Trump Entertainment Resorts, Inc. (formerly known as Trump Hotels & Casino Resorts, Inc.), a Delaware corporation ("TER") currently beneficially owns an approximately 76.5% profits interest in TER Holdings, as both general and limited partner, and Donald J. Trump ("Mr. Trump") owns directly and indirectly an approximately 23.5% profits interest in TER Holdings, as a limited partner. In addition, TER Holdings beneficially wholly owns:

- Taj Mahal Associates, LLC ("Taj Associates"), which owns and operates the Trump Taj Mahal Casino Hotel (the "Taj Mahal"), located on the northern part of Atlantic City's Boardwalk.
- Trump Marina Associates, LLC ("Marina Associates"), which owns and operates the Trump Marina Hotel Casino ("Trump Marina"), located in Atlantic City's marina district.

Plaza Associates owns and operates the Trump Plaza Hotel and Casino ("Trump Plaza"), an Atlantic City, New Jersey hotel and casino. Trump Plaza, the Taj Mahal and Trump Marina are collectively referred to as the "Trump Atlantic City Properties." The Atlantic City market is very competitive, and is anticipated to become more competitive in the future. Plaza Associates derives its revenue from casino operations, room rental, food and beverage sales, and entertainment revenue.

The casino industry in Atlantic City is seasonal in nature with the peak season being the spring and summer months. Accordingly, results of operations for the six months ended June 30, 2006 and 2005 are not necessarily indicative of the operating results for a full year.

Reclassifications

Certain reclassifications and disclosures have been made to prior year financial statements in order to conform to the current year presentation.

NOTE 2 – REORGANIZATION AND EMERGENCE FROM CHAPTER 11

Chapter 11 Reorganization

On November 21, 2004, Trump Hotels & Casino Resorts, Inc. and its subsidiaries (collectively the "Debtors") filed voluntary petitions for relief under chapter 11 of the United States Bankruptcy Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the District of New Jersey (the "Bankruptcy Court"), as part of a pre-arranged plan of reorganization. While in bankruptcy, the Debtors continued to manage their properties and operate their businesses as "debtors-in-possession" under the jurisdiction of the Bankruptcy Court.

On April 5, 2005, the Bankruptcy Court entered an order confirming the Second Amended and Restated Joint Plan of Reorganization, dated as of March 30, 2005, of the Debtors, as amended (the "Plan"). The Plan became effective on May 20, 2005 (the "Effective Date"), at which time all material conditions to the Plan were satisfied and the Debtors emerged from chapter 11.

TRUMP PLAZA ASSOCIATES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006
(Unaudited)

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements have been prepared pursuant to the rules and regulations of the Casino Control Commission of the State of New Jersey (the “Commission”). Accordingly, certain information and note disclosures normally included in the financial statements prepared in conformity with accounting principles generally accepted in the United States have been condensed or omitted. These financial statements should be read in conjunction with the financial statements and notes thereto included in the Company’s December 31, 2005 Quarterly Report as filed with the CCC.

Subject to the foregoing, the accompanying financial statements have been prepared without audit.

Basis of Presentation

From the filing of the Debtors’ chapter 11 petition to the Effective Date, THCR and its subsidiaries operated as debtors-in-possession under the jurisdiction of the Bankruptcy Court. Accordingly, TER’s consolidated financial statements for periods from the filing of the chapter 11 petition through the emergence from chapter 11 were prepared in accordance with the American Institute of Certified Public Accountants Statement of Position 90-7, “Financial Reporting by Entities in Reorganization under the Bankruptcy Code” (“SOP 90-7”). SOP 90-7 required TER to report pre-petition liabilities that were subject to compromise separately on its balance sheet at an estimate of the amount that would ultimately be allowed by the Bankruptcy Court. SOP 90-7 also required separate reporting of certain expenses relating to the Debtors’ chapter 11 filings as reorganization items.

Upon its emergence from chapter 11, the Company adopted fresh-start reporting in accordance with SOP 90-7. Under fresh-start reporting, a new entity was deemed to have been created for financial reporting purposes and the recorded amounts of assets and liabilities were adjusted to reflect their estimated fair values. The term, “Predecessor Company” refers to the Company for periods prior to and including May 19, 2005, and the term “Reorganized Company” refers to the Company for periods on and subsequent to May 20, 2005. As a result of the adoption of fresh-start reporting, the Reorganized Company’s post-emergence financial statements are generally not comparable with the financial statements of the Predecessor Company prior to its emergence from bankruptcy, including the historical financial statements included herein. Due to the adoption of fresh-start reporting, the Predecessor and Reorganized Company financial statements are prepared on different bases. See Note 6 for a condensed balance sheet showing the impact of fresh-start accounting at May 20, 2005.

NOTE 4 – LONG-TERM DEBT

Long-term debt consists of:

	<u>2006</u>	<u>2005</u>
Note Payable – TER and TER Funding 8.5% Senior Secured Notes, due 2015 (a).....	\$287,153,000	\$287,500,000
Capital lease obligations (b)	5,437,000	13,358,000
Total debt	292,590,000	300,858,000
Less current maturities	(5,209,000)	(9,414,000)
Long-term debt	<u>\$287,381,000</u>	<u>\$291,444,000</u>

- (a) In May 2005, TER Holdings and TER Funding, Inc., a wholly owned subsidiary of TER, issued \$1,250,000,000 principal amount of 8.50% First Mortgage Notes due June 1, 2015 (the “TER Notes”). Interest on the TER Notes is payable semi-annually each June 1 and December 1 commencing on May 20, 2005 and was initially payable December 1, 2005.

TRUMP PLAZA ASSOCIATES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006
(Unaudited)

TER allocated \$287,500,000 to Plaza Associates with interest at 8.50%, due June 1, 2015 with the same terms as the TER Notes.

During the period ending June 30, 2006, a reduction of \$347,000 was made to the inter-company debt due to revisions to initial issuances.

- (b) The Company has entered into various capital leases that are secured by the underlying real property or equipment. Interest on these leases are payable with interest rates ranging from 0.0% to 11.0%. These leases mature on various dates during the years 2006 through 2009.

TER's Senior Secured Credit Facility

On May 20, 2005, TER and TER Holdings entered into an agreement for a \$500,000,000 senior secured credit facility (the "Credit Facility") with a group of lenders. Pursuant to the Credit Facility, as amended, the lenders have agreed to provide TER Holdings (i) a revolving credit facility in the amount of \$200,000,000, (ii) a single-draw term loan facility in the amount of \$150,000,000, which was drawn on the Effective Date and (iii) a delayed draw term loan facility in the amount of \$150,000,000, which may be drawn in multiple borrowings through November 20, 2006. The TER Credit Facility also includes a sub-facility for letters of credit in an amount of up to \$70,000,000. At June 30, 2006, TER had outstanding letters of credit of \$40,000,000 under the Credit Facility.

Proceeds from the term loans may be utilized to (i) pay off amounts outstanding under the debtor-in-possession financing, which occurred on the Effective Date, (ii) fund the construction of a new tower at the Taj Mahal, (iii) pay fees and expenses in connection with our restructuring, and (iv) provide for ongoing working capital and general corporate needs; provided that \$150,000,000 of the term loan is restricted to fund construction of the new tower at the Taj Mahal. The Credit Facility may be used to fund ongoing working capital requirements of TER Holdings and its subsidiaries and other general corporate purposes. The revolving credit facility matures on May 20, 2010. The term loan matures on May 20, 2012, and must be repaid during the final year of such loans in equal quarterly amounts, subject to amortization of approximately 1.0% per year prior to the final year.

Borrowings under the Credit Facility are secured by a first priority security interest on substantially all the assets of TER Holdings and its subsidiaries. TER Holdings' obligations under the Credit Facility are guaranteed by TER and each of its direct and indirect subsidiaries. TER and its subsidiaries are subject to a number of affirmative and negative covenants and must comply with certain financial covenants. Such financial covenants include maintenance of a leverage ratio of 8.75 to 1, a lien coverage ratio of 2.25 to 1 and an interest coverage ratio of 1.35 to 1. TER was in compliance with such covenants as of June 30, 2006.

NOTE 5 – GOODWILL

A rollforward of goodwill for the period from December 31, 2005 to June 30, 2006 is as follows:

Balance.....	\$25,416,000
Adjustment to reduce inter-company debt due to revisions to initial issuances.....	<u>(347,000)</u>
Balance, June 30, 2006	<u>\$25,069,000</u>

TRUMP PLAZA ASSOCIATES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006
(Unaudited)

NOTE 6 – INCOME TAXES

The accompanying financial statements do not include a provision for federal income taxes since the Predecessor Company was a partnership for federal income tax purposes and the Reorganized Company is a division of TER Holdings, which is taxed as a partnership, for federal income tax purposes. Therefore, the Predecessor Company's income and losses are allocated and reported for federal income tax purposes by its partners and the Reorganized Company's income and losses are allocated and reported for federal income tax purposes by TER Holdings' partners.

The state income tax provision attributable to income/(loss) from continuing operations before income taxes is as follows:

	June 30,	
	<u>2006</u>	<u>2005</u>
Current Expense.....	\$561,000	\$813,000

The Company is currently involved in an examination with the Internal Revenue Service (the "IRS") concerning the Company's federal partnership income tax return for the tax years 2002 and 2003. While any adjustment that results from this examination could affect the state income tax return, the Company does not believe that adjustments, if any, will have a material adverse effect on its financial condition or results of operations.

State income taxes for the Company's New Jersey operations are computed under the alternative minimum assessment method. The Company believes it is exempt from these taxes and, as such, has not remitted payments of the amounts provided. The New Jersey Division of Taxation has issued an assessment to collect the unpaid taxes for the tax years 2002 and 2003. At June 30, 2006, The Company has accrued \$5,945,000 for taxes and interest relating to this alternative minimum tax assessment for 2002 and 2003, as well as the open years 2004 through June 30, 2006. The Company is currently in discussions with the New Jersey Division of Taxation.

NOTE 7 – FRESH-START REPORTING

TER and its subsidiaries adopted fresh-start reporting upon its emergence from chapter 11 on the Effective Date in accordance with SOP 90-7. TER and its subsidiaries are required to apply the fresh-start provisions of SOP 90-7 to its financial statements because (i) the reorganization value of the assets of the emerging entity immediately before the date of confirmation was less than the total of all post-petition liabilities and allowed claims and (ii) the holders of existing voting shares of THCR Common Stock immediately before confirmation (i.e., the holders of shares of the common stock of the Predecessor Company (the "Old Common Stock") that were issued and outstanding prior to the commencement of the chapter 11 proceedings) received less than 50 percent of the voting shares of the emerging entity. Under SOP 90-7, application of fresh-start reporting is required on the date on which the plan of reorganization is confirmed by a bankruptcy court, but SOP 90-7 further provides that fresh-start reporting should not be applied until all material conditions are satisfied. All material conditions to the Plan were satisfied as of May 20, 2005.

The Company and TER have elected to apply "push-down" accounting with regard to the impact of fresh-start reporting on subsidiary financial statements. Fresh-start reporting requires that the Company adjust the historical cost of its assets and liabilities to their fair value as determined by the reorganization value of the Company as set forth in the plan. Furthermore, the reorganization value must be allocated among the reorganized entity's net assets in conformity with procedures specified by Statement of Financial Accounting Standards ("SFAS") No. 141, "Business Combinations" ("SFAS 141"). TER had engaged an independent appraiser to assist TER in the allocation of reorganization value under the Plan to TER's assets and liabilities, including Plaza Associates. The Company used the independent appraiser's analysis and other information to make the allocations

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as of the Effective Date. The Company's intangibles include trademarks (including a perpetual, exclusive royalty-free license of the "Trump" name and certain derivatives thereof, subject to certain terms and conditions), and goodwill. The adoption of fresh-start reporting resulted in the following adjustments to the Company's balance sheet as of May 20, 2005:

	<u>Predecessor Company May 20, 2005</u>	<u>Reorganization Of Debt and Equity (1)</u>	<u>Fresh-Start Adjustments (2)</u>	<u>Reorganized Company May 20, 2005</u>
	(In thousands)			
Assets				
Current Assets:				
Cash and cash equivalents	\$ 17,437	\$ —	\$ —	\$ 17,437
Receivable, net.....	9,621	—	—	9,621
Other current assets.....	<u>6,237</u>	<u>—</u>	<u>208</u>	<u>6,445</u>
Total current assets	33,295	—	208	33,503
Property and equipment, net	397,722	—	(40,214)	339,508
Other assets	33,260	(17,921)	3,673	19,012
Intangible assets.....	<u>—</u>	<u>—</u>	<u>87,377</u>	<u>87,377</u>
TOTAL ASSETS.....	<u>\$ 446,277</u>	<u>\$ (17,921)</u>	<u>\$ 51,044</u>	<u>\$ 479,400</u>
Liabilities and Equity (Deficit)				
Current Liabilities:				
Current maturities of long-term debt	\$ 10,085	\$ —	\$ —	\$ 10,085
Accounts Payable and accrued expenses	33,191	—	—	33,191
Due to affiliates, net.....	5,712	—	—	5,712
Accrued interest payable.....	<u>54,866</u>	<u>(54,866)</u>	<u>—</u>	<u>—</u>
TOTAL CURRENT LIABILITIES	103,854	(54,866)	—	48,988
Non-Current Liabilities:				
Deferred income taxes	—	—	6,188	6,188
Long-term debt, net of current maturities	467,717	(175,750)	—	291,967
Other long-term liabilities.....	<u>21,918</u>	<u>—</u>	<u>(3,822)</u>	<u>18,096</u>
TOTAL LIABILITIES	<u>593,489</u>	<u>(230,616)</u>	<u>2,366</u>	<u>365,239</u>
Partners'/Owner's Equity (Deficit).....				
Predecessor Company.....	(147,212)	147,212	—	—
Reorganized Company.....	<u>—</u>	<u>65,483</u>	<u>48,678</u>	<u>114,161</u>
Partners'/owner's equity (deficit)	<u>(147,212)</u>	<u>212,695</u>	<u>48,678</u>	<u>114,161</u>
TOTAL LIABILITIES AND PARTNERS' OWNER'S EQUITY (DEFICIT)	<u>\$ 446,277</u>	<u>\$ (17,921)</u>	<u>\$ 51,044</u>	<u>\$ 479,400</u>

- (1) To record the reorganization of debt and equity in accordance with the Plan, including the discharge of pre-petition liabilities comprised principally of \$175,750 of TAC Notes and \$54,866 of accrued interest hereon
- (2) To adjust the carrying value of assets, liabilities and partners'/owner's equity to fair value, and record the Reorganized Company other intangibles in accordance with the fresh-start reporting requirements of SOP 90-7.

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Accordingly, the Company recorded the following as intangible assets at May 20, 2005 (in thousands):

Trademarks.....	\$	62,000
Goodwill.....		25,327
Leasehold Interest		50
Total	\$	<u>87,377</u>

Leasehold Interests are being amortized on a straight-line basis over a period of seven years and are included in depreciation and amortization in the accompanying statements of income. The trademarks have an indefinite life; accordingly, trademarks are not subject to periodic amortization but are reviewed annually for impairment. Goodwill is reviewed annually for impairment.

The net reorganization fresh-start gain/(loss) as of May 20, 2005 consisted of the following (in thousands):

Net gain/(loss) resulting from reorganization of debt and equity	\$79,365
Net gain/(loss) resulting from fresh-start value adjustments to assets and liabilities.....	<u>17,487</u>
Net fresh-start reorganization gain/(loss).....	<u>\$96,852</u>

The extraordinary gain from reorganization of debt relates to the settlement of long-term debt and accrued interest at an amount less than the historical recorded value. As this gain resulted from the bankruptcy recapitalization and as such was unusual and infrequent in nature, it has been reflected as an extraordinary gain pursuant to Accounting Principles Board Number 30, "Reporting the Results of Operations-Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions", and Financial Standards Board Statement Number 145, "Rescission of FASB Statements No. 4, 41, and 62, Amendment of FASB Statement No. 13 and Technical Corrections."

NOTE 8 – TRANSACTIONS WITH AFFILIATES

At June 30, 2006 and 2005, amounts due to affiliates were \$13,875,000 and \$2,482,000, respectively. These amounts are included in other current liabilities in the attached balance sheets. The Company has engaged in limited intercompany transactions with TER, Trump Administration (a division of Taj Associates), Marina Associates and Taj Associates, all of which are affiliates of Trump.

Amounts due to/(from) affiliates are as follows:

	June	
	<u>2006</u>	<u>2005</u>
TER	\$10,909,000	\$ —
Trump Administration	3,163,000	3,180,000
Marina Associates.....	7,000	40,000
Taj Associates.....	<u>(204,000)</u>	<u>67,000</u>
	<u>\$13,875,000</u>	<u>\$2,482,000</u>

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Trump Administration

Trump Administration was formed for the purpose of realizing cost savings and operational synergies by consolidating certain administrative functions of, and providing certain services to Trump Atlantic City Properties. Charges from Trump Administration for the six months ended June 30, 2006 and 2005 were approximately \$2,229,000 and \$2,380,000 respectively.

NOTE 9 – NON-OPERATING INCOME (EXPENSE)

Non-operating income (expense) for the six months ended June 30, 2006 and 2005 consists of:

Interest Income	\$439,000	\$ 276,000
Reorganization Income	—	<u>17,467,000</u>
.....	<u>\$439,000</u>	<u>\$17,743,000</u>

NOTE 10 – PARTNER'S /OWNER'S CAPITAL

Partnership/Owner's Distribution

During the six months ended June 30, 2006, Plaza Associates received capital contributions from TER of \$4,000,000, primarily for capital expenditures.

Pursuant to the indentures governing the TAC Notes, TAC was permitted to reimburse THCR for its operating and interest expenses. These reimbursements were subject to limitations set forth in such indentures, including an annual limitation of \$10,000,000 in operating expense reimbursements and a life-time limitation of \$50,000,000 in interest expense reimbursements. As such, TAC's subsidiaries, Plaza Associates and Taj Associates were permitted to reimburse TAC for its interest expenses and operating expense reimbursements to THCR. During the period ending May 20, 2005, Plaza Associates declared a partnership distribution to TAC of \$569,000 consisting of operating expense reimbursements.

NOTE 11 – COMMITMENTS & CONTINGENCIES

Legal Proceedings

Chapter 11 Cases

Although the Company has emerged from bankruptcy, the Company is still in the process of resolving various claims and other litigation in connection with the Plan, which may continue for the foreseeable future.

401(k) Plan Participant Litigation

On February 8, 2005, certain individuals filed a complaint in the United States District Court for the District of New Jersey, Camden Division, against certain persons and organizations that included members of the Trump Capital Accumulation Plan Administrative Committee. In their complaint, the plaintiffs alleged, among other things, that such persons and organizations, who were responsible for managing the Trump Capital Accumulation Plan, breached their fiduciary duties owed to the plan participants when THCR Common Stock held

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in employee accounts was allegedly sold without participant authorization if the participant did not willingly sell such shares by a specific date in accordance with the plan. The plaintiffs brought this suit under the Employee Retirement Income Security Act of 1974, as amended, on behalf of themselves and certain other plan participants and beneficiaries and sought to have the court certify their claims as a class action. In their complaint, the plaintiffs also sought, among other things, damages for losses suffered by certain accounts of affected plan participants as a result of such allegedly improper sale of THCR Common Stock and reasonable costs and attorneys' fees. The parties have commenced discovery, which is ongoing in this matter. At this time, the Company cannot predict the outcome of such litigation or its effect on the Company's business.

Other Litigation

In addition to the foregoing, Plaza Associates and certain of its employees are involved from time to time in various legal proceedings incidental to the Company's business. While any proceeding or litigation contains an element of uncertainty, management believes that the final outcomes of these matters are not likely to have a material adverse effect on the Company's results of operations or financial condition. In general, the Company has agreed to indemnify such persons, and its directors, against any and all losses, claims, damages, expenses (including reasonable costs, disbursements and counsel fees) and liabilities (including amounts paid or incurred in satisfaction of settlements, judgments, fines and penalties) incurred by them in said legal proceedings absent a showing of such persons' gross negligence or malfeasance.